

AVENUE

ROAD

ESTATE

LANDLORD OFFER
**RESIDENT
LEASEHOLDER**

AVENUE
ROAD
ESTATE



Waltham Forest





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INTRODUCTION

This document provides information to resident leaseholders of properties on Avenue Road Estate from the Council on acquiring your property should the proposed regeneration scheme proceed, following a ballot of affected residents.

The estate regeneration programme is about providing better homes for Waltham Forest residents living on the Avenue Road Estate and about building more homes for social rent to help tackle the housing crisis.

This guide sets out what you as a homeowner can expect from the Council as it rebuilds your estate. The Council commits to:

- Give certainty to you about the estate regeneration process
- Reassure you that the Council will try to minimise stress of the rebuilding process as far as possible
- Give you the opportunity to stay on your estate and help keep communities together
- Provide you with the assurance that the Council will support you through any moving process

If the regeneration scheme is approved following a ballot of residents, the existing estate will be demolished and rebuilt on a phased basis.

While the approach to how the scheme will be progressed is still at an outline stage, the Council can confirm that if the scheme progresses all of the current blocks will be demolished at some point in order to build an increased number of new homes.

As such, until the Council has secured a positive outcome from the resident ballot, you need not take any action unless you wish to consider selling your property back to the Council at an early stage.

This document sets out what the Council's position will be if the scheme progresses.





Image for illustration purposes only

OUR COMMITMENTS

In many cases, the Council will need to buy-back your property before work can proceed. The Council know that for many people this means moving out of your family home and this news can be unsettling. The Council understand that and this pack contains information about the ways the Council can help you find a suitable replacement home. Please be assured that the Council are fully committed to assisting you as much as possible.

This pack sets out the detail on how the Council will go about buying your property and the options available to help you find a new home. These options have been carefully considered to take account of people's different financial positions.

The Council will put in place a dedicated delivery team to help answer any questions you have and help you to get the process started and support you through this, to successfully relocate you to an alternative home.

The Council will use its best endeavours to deliver on the commitments in this document. However, where changes to the commitments are necessary as a result of matters outside of the Council's control, or new advice about best practice guidance in relation to ballots, then the Council will ensure that you are notified of any changes at the earliest opportunity.

CONSULTATION & ONGOING CONTACT

Resident leaseholders will be provided with advice and support on the sale of their property back to the Council.

Before the Council buy any homes, the Council will contact those affected and provide information about what will happen.

At these meetings the Council will tell you about the aims and objectives of the regeneration programme, provide more detail about the buy-back process, gather information about your individual circumstances and discuss what additional support and housing options are on offer.



WHEN WILL MY PROPERTY BE PURCHASED?

At this stage, it is far too early to provide advice on this as there are quite a few matters that need to be progressed.

The key decision on whether the scheme will proceed will be determined by the resident ballot which the Council is required to undertake. The regeneration scheme will only go ahead if residents vote to agree to it.

Once the Council have held the ballot, the Council will write to you with more detail on our anticipated timeline for the scheme delivery.

STAYING ON THE ESTATE

As a resident homeowner, if you wish to continue to live within the regenerated estate, or locally, you will be given the opportunity to do so. You will be offered a range of options depending on your individual financial circumstances, and qualifying criteria will need to be met to determine which options you will be eligible for.

The set options are:

1. Outright purchase - if you can afford to do so, you can purchase 100% of one of the newly built properties within the development.
 2. Shared equity - if you wish to remain within the scheme or nearby estate but cannot afford 100% ownership of one of the new properties but have sufficient capital to purchase 60% of one of the new homes, the Council will agree to a shared equity deal with you. This is where the Council places a charge against the property but where you do not pay any rent on the portion of the property not owned by you.
 3. Shared ownership - if you wish to remain within the scheme but don't have the resources for either of the above options, but can afford a minimum of 25% of the value of a new property, then the Council will be willing to enter into a shared ownership arrangement with you. This will require you to pay rent on the portion of the property that you don't own, but you will have the opportunity to increase your ownership of the property when your finances allow.
- If none of the set options are appropriate, the Council will explore other options with you.

MOVING AWAY FROM THE ESTATE

If you, as a homeowner, do not wish to live in a home within the newly built scheme or other estate, you will need to sell your home to the Council at market value (plus home loss and disturbance allowance compensation).

The Council will arrange for a valuation to be carried out, which will give you information on how much you can afford to purchase another property and then arrange to purchase a suitable home where you wish to live. Our team will provide advice and support on the house purchase process as and when required.

Shared ownership is a less widely used option, but in the event you are unable to be in a position to afford 60% equity in a new property, this is an option to remain on the estate.

HOME LOSS

Home Loss is determined by the Government and is reviewed annually and any changes are implemented from 1st October. The Home Loss allowance set 1st October 2020 is based on 10% of the sale price of your property with a minimum payment of £6,500 and a maximum payment of £65,000.

The home loss figure is reviewed regularly by the Government and is changed if necessary. The figures in this section are taken from the most recent review in October 2020.

VALUING YOUR PROPERTY

When the Council need to buy your property, recommend that you arrange for a surveyor who is an RICS member to visit you and carry out a valuation at your home. The Council will be appointing external valuers to carry out valuations on our behalf to demonstrate a high level of impartiality and the Council will need you to allow them access to your property.

After both surveyors have carried out their surveys they will reach an agreement as to what is an appropriate market value of your property, and the details of the compensation that you are entitled to (See Compensation for more information). The surveyors valuations will be based on their independent professional opinion and comparable to current market.

The Council will then make a formal offer to purchase your home based on the agreed market value.

The Council strongly recommends that you appoint a suitable surveyor. The surveyor will also be able to assist with your compensation claim. The valuation surveyor considers the following when assessing the market price of your property:

- The condition of your property, both internal and external
- Any internal improvements, such as new bathrooms and kitchens
- The location of the property and amenities within the area, such as transport links, shops and services
- The housing market in the local area, including recent sale prices

The valuation will be based on the market value of your property at the point the survey is carried out. This is the price the valuation surveyor believes your home would sell for, assuming that both you and the buyer know the facts and are not under any compulsion to buy or sell. In other words, this means that you will receive a comparable price to what your home would have sold for on the open market if it was not as part of a regeneration programme.

Our valuation is based on the principle of equivalence. This means that you should not be better or worse off than before the regeneration proposals.

ONCE YOU HAVE FOUND A SURVEYOR

Once you have found a surveyor you will need to get a quotation from them and provide a copy of this to us for approval.

Please make sure your surveyor knows that she or he will only be paid at the end of the valuation process and the claimant has confirmed they have received a copy of the valuation report.

You can find an independent chartered surveyor by visiting the Royal Institution of Chartered Surveyors website at <http://www.ricsfirms.com/> or telephoning them on **024 7686 8555**.

Your own surveyor will be able to confirm if the agreed valuation of your property is reasonable or not. If your surveyor does not agree with our valuation, the Council would agree to pay for your surveyor to negotiate on your behalf and will pay their reasonable fees.

The Council will always try to agree terms to buy your leasehold property on a voluntary basis using these valuations. If the Council is unable to secure all interests on a voluntary basis it will implement its Compulsory Purchase Order Powers in order to ensure that the development can proceed in line with our programme. – see Appendix 1.

COMPENSATION

Because the Council want to buy-back your property, it is important that the Council cover the costs of the transaction and not you. This section contains information on the different types of compensation that is available.

Home Loss compensation is compensation that you are legally entitled to if you are forced to leave or give up your home. It is only available to resident leaseholders and freeholders (those who have lived in the property they own for the past 12 months).

This payment is in addition to what you receive from the sale of your home. It is designed to compensate you for the inconvenience, stress and upset caused by the move. Resident leaseholders and freeholders are entitled to receive 10% of the market value of their home, with a minimum payment of £6,500 and a maximum payment of £65,000 .

DISTURBANCE PAYMENTS/ OTHER HEADS OF CLAIM

Disturbance payments/Heads of Claim compensate you for some costs linked with moving. They are usually only available to resident leaseholders and freeholders (those who live in the property they own).

You can claim back the cost of the items listed alongside, and the cost of advice from legal and valuation advisors.

- Removal costs
- Redirecting mail (for 3 months only)
- Carpet alterations/replacement
- Curtain alterations/replacement
- Disconnecting and reconnecting appliances
- Disconnecting and reconnecting services
- Moveable fixtures and fittings
- Special adaptations to your replacement home

CLAIMING FEES

You can claim reasonable costs for valuation and legal advice. This includes:

- Surveyor's fees when acquiring a replacement property
- Survey fee and costs when transferring an existing mortgage or raising a new one

The Council will provide you with help to enable your move, with additional support offered to you if you have special needs or a disability.

Subject to individual circumstances, this additional support can include:

- Assistance will be given with the property transaction and moving home if required, including (for example) how to find alternative properties, dealing with estate agents, etc.
- The Council will pay for re-routing of post for up to 12 months after you move
- The Council will provide reasonable advice, information and support you in seeking rehousing within the UK
- Additional support will be offered during the move if you have special needs or disabilities; such support may include packing and unpacking services at the time of the move and liaising with other agencies such as social services
- Special support will be provided if you are vulnerable or have special needs; the Council will work with you and professional advisers to identify what support you may need

REPAYMENT OF OUTSTANDING DEBTS

If you owe the Council any money, e.g. Service charges, these will be deducted from the amount you are due to receive from the completion of the sale of your property.

You should take this into account when you work out how much money you have available for buying a replacement property. If any debts are disputed, the Council strongly advise you to resolve this as early as possible as it may affect your ability to buy a new home.

ADVICE & INFORMATION

The Council will provide you with advice and information to help you make informed decisions about your future housing.

This will include:

- An Independent Adviser will be available through the life of the regeneration project
- Maintaining communication with you throughout the life of the regeneration project on matters such as the regeneration process and how it will affect you
- Information on indicative values for existing properties and new build properties when these become available
- A market valuation and advice on where to find independent valuation advice

INPUT INTO DESIGN OF THE NEW ESTATE

If you choose to stay on your current estate, you will be able to get involved in the design of the new homes and the estate as a whole and influence decisions around the phasing of building new homes and the construction works.

The Council will:

- Give you the opportunity to get involved in the design process and make it clear to you the way in which you may be able to influence the design of the new homes and the estate
- Involve you in considering how to minimise disruption
- Work with you to explore how the new design for the estate can help to keep service charges for the new homes low for residents

APPENDIX 1 COMPULSORY PURCHASE ORDER (CPO) PROCESS EXPLAINED

If the property owner and the acquiring authority (local Council) cannot agree on terms for a voluntary acquisition, even after dialogue between appointed surveyors, then the Council will commence a Compulsory Purchase Order process.

The Compulsory Purchase Order process has a number of stages:

1. Formulation/Information Gathering
2. Resolution
3. Making of the Order/Publicity
4. Objections
5. Public Local Inquiry
6. Decision/Confirmation/Publicity
7. Further Challenge
8. Taking Possession of Property/land

1. Information gathering and preparing the order

If the Council needs to purchase land or property for a regeneration programme, and has been unable to agree terms for voluntary acquisitions, then they will usually seek a Compulsory Purchase Order.

The Council will collect the relevant information required to support the CPO and define the boundaries of the area for compulsory purchase.

During this stage the Council will seek to identify everyone who has an interest in the land or property, including those with freehold or leasehold interest, as well as any occupiers or tenants. This may include us serving what is known as a Requisition for Information Notice. This is a legal notice that requires you to let us know about anyone who has an interest in your property. This could be a mortgage company or a relative who also owns the property. If you receive this notice, you must respond to it.

2. Resolution

A report making the case for a Compulsory Purchase Order is then presented to the Council's Cabinet for decision. If it is agreed, then a resolution is passed declaring the Council's intention to make a Compulsory Purchase Order. The resolution is entered in the local land search register.

3. Making of the order and publicising it

The Compulsory Purchase Order will be made and all known persons with an interest (those who own property or land) will be informed by us through serving a notice on them. The Council will also make a public announcement in the local press, inviting representations or objections to be made within 28 days. This gives everyone who is affected by the order an opportunity to express their views. Representations or objections are sent to the Secretary of State. At the same time all interested parties will receive a statement showing the Council's reasons for making the Compulsory Purchase Order.

4. Objections

If no valid objections are received, and the Secretary of State is satisfied that the procedures have been followed properly, the Compulsory Purchase Order will be confirmed, modified or rejected, without the need for a formal hearing. However, if objections are received, which the Secretary of State considers to be valid, then a Public Local Inquiry may be held depending on the number of objections.

Valid objections usually fall into three categories:

- a) Persons who agree with the purpose of the scheme, but would like to see minor amendments to minimise its impact
- b) Persons who agree with the purpose of the scheme, but feel it should be located elsewhere
- c) Persons who object to the scheme completely.

The Council may try to negotiate with objectors to see if their objection can be resolved and withdrawn. If both parties are unable to reach agreement, and objections remain, a Public Local Inquiry may be held.

For more information, please visit:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/571453/booklet4.pdf

5. Public Local Inquiry

Shortly after the closing date for objections, the Secretary of State will write to the Council and the objectors informing them that an Inquiry will be held. The date of this letter is known as the 'Relevant Date'. This date is used to establish the timetable for the Inquiry process.

No later than six weeks after the relevant date, and at least 28 days before the Inquiry, the Council must supply a 'Statement of Case' to the Government Office and each objector. This explains the reasons for making a Compulsory Purchase Order.

Within 22 weeks of the relevant date, the Inquiry will normally be held and is overseen by a Government appointed Inspector (although the Secretary of State can change the time periods). The Inspector will visit the site before, during or after the close of the Inquiry. However, the Inspector cannot discuss the merits of the case with objectors during the visit.

Sometimes the Government appointed inspector may choose the Written Representations Procedure as an alternative to an inquiry. Under this procedure, objections can be considered by an Inspector in writing.

Regardless of which procedure is used, the Inspector will produce a report for the Secretary of State, clearly setting out their conclusions and recommendations. The Inspector will recommend a course of action to the Secretary of State.

6. Decision, confirmation and publicity

After considering the Inspectors report, the Secretary of State confirms, modifies or rejects the Compulsory Purchase Order. The Council must then publicise the decision in one or more local newspapers, and notify all those affected by the Compulsory Purchase Order.

7. Further Challenge

In exceptional cases, there may be grounds for seeking a judicial review of the Inspectors decision in the High Court.

8. Taking possession of property and land

Throughout the Compulsory Purchase Order process, the Council will continue to negotiate with you to seek a voluntary settlement, without using the Compulsory Purchase Order powers.

If the powers of the Compulsory Purchase Order are used, ownership of the land or property is transferred to the Council within an agreed timescale, and compensation is paid to the previous owner.

If your property is acquired by Compulsory Purchase without a price being agreed, you may need to appeal to the Upper Tribunal (Lands Chamber) to make a final decision on the property's value if compensation is not agreed.

The Upper Tribunal (Lands Chamber) is an independent legal body set up by the Government to resolve disputes, such as the valuation of homes being purchased under a Compulsory Purchase. If you appeal, your case will usually be heard by a single member. The decision of the Upper Tribunal (Lands Chamber) is final.

The value agreed by the Upper Tribunal (Lands Chamber) is the value you will receive for your home, and this could be higher or lower than what the Council originally offered you.

You should be aware that the Upper Tribunal (Lands Chamber) determines who should pay the costs for the tribunal. This cost can be charged to you personally in some cases. You are strongly advised to seek legal advice before taking this course of action.

In rare and exceptional cases the decision of the Upper Tribunal (Lands Chamber) can be appealed at the Court of Appeal, and their decision would then be final.

APPENDIX 2 GLOSSARY OF TERMS



Compulsory Purchase Order

A Compulsory Purchase Order allows certain bodies which need to acquire land or property for purposes such as regeneration, to take possession of the land or property without the consent of the owner.

Disturbance Payment

Disturbance Payments are made to compensate for reasonable expenses incurred in moving homes during a regeneration process; for example, removal expenses, cost of altering soft furnishings, reconnecting movable fixtures and fittings, telephone reconnection charges.

Home Loss Payment

Home Loss Payments are made in recognition of the personal distress and inconvenience suffered by people who are displaced from their homes as a result of compulsory purchase or under other qualifying circumstances.

Upper Tribunal (Lands Chamber)

The tribunal has the statutory power to deal with some disputes involving land or property.

Open Market Value

Is the price that a property is offered at, or will fetch, on the open market, with a free and willing buyer and seller.

Open Market Purchase

Straightforward buy-back of the leasehold, or freehold property, for the agreed market value.

Resident Leaseholder

A leaseholder who lives in the property in question as their only or main home, and has done so for at least 12 months from a given date.

Shared Equity

When the Council offers the option of buying a proportion of the value of the property and rent is not paid on the proportion of the property owned by the Council. The Council recovers their investment in the property when it is sold or ownership changes hands. You must be able to put in a minimum of 60% of the value of the property you are purchasing to be eligible for this option.

Shared Ownership

You purchase a share (also known as a tranche) of the property and pay rent on the remaining tranche that you do not own. A minimum tranche of 25% is required with rent payable normally at 2.75% of the tranche that you do not own. So if the property is valued at £400,000, you purchase 25% of the property, leaving £300,000 outstanding. Rent of £8,250 per year would be payable on the remaining 75%.

The remaining tranche can be purchased up to 100% ownership. Service charges are payable also.

APPENDIX 3 USEFUL CONTACTS & LINKS

Ministry of Housing, Communities and Local Government

Website: <https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government>
Tel: 0303 444 0000

CPO and Compensation (Home loss and disturbance)

Guidance from Communities and Local Government can be found here:
<http://www.communities.gov.uk/publications/planning-and-building/compulsory-purchase>

Citizens Advice Bureau: Waltham Forest Citizens Advice Bureau

Website: <http://www.walthamforestcab.org.uk>
Tel: 020 8521 5125

The Leasehold Advisory Service (LEASE)

Maple House,
149 Tottenham Court Road,
London W1T 7BN

Website: <http://www.lease-advice.org/>
Tel: 020 7383 9800

Leasehold Advice Centre

Birch House,
Guildford,
Surrey GU6 7LS

Email: Help@LeaseholdAdviceCentre.co.uk
Website: <http://www.leaseholdadvicecentre.co.uk/>
Tel: 01483 268 434

Direct Gov

Website: <http://www.direct.gov.uk>
Link to information on Getting Legal Advice and Aid: <http://www.direct.gov.uk/en/Governmentcitizensandrights/GettingLegalAdvice/Gettinglegaladviceandlegalaidd/index.htm>

The Royal Institution of Chartered Surveyors (RICS)

12 Great George Street,
Parliament Square,
London, SW1P 3AD

Website: <http://www.rics.org>
Tel: 020 7222 7000

The Lands Tribunal

Procession House,
55 Ludgate Hill,
London EC4M 7JW

Website: <http://www.landtribunal.gov.uk>
Tel: 020 7029 9780

Compulsory Purchase Advice (CPA)

Compulsory Purchase Advice (CPA)
For more information, please visit:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/571453/booklet4.pdf

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You can see the Council's latest information and advice on COVID-19 at www.walthamforest.gov.uk/COVID19 where you can also sign up for the email newsletter to keep you up to date on the current situation.